



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

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Internal Audit Executive

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November 9, 2010

Rodney Hubbard, Executive Director  
Carr Square Tenant Management/McElroy Day Care  
1629 Biddle  
St. Louis, MO 63106

RE: Community Development Block Grant (CDBG) (Project #2010-CDA27)

Dear Mr. Hubbard:

Enclosed is a report of the fiscal monitoring review of the Carr Square Tenant Management/McElroy Day Care, a not-for-profit organization, CDBG Program, for the period January 1, 2009 through November 30, 2009. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of the Carr Square Tenant Management/McElroy Day Care. Fieldwork was completed on January 20, 2010.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Community Development Administration (CDA) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth M. Stone".

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Lorna Alexander, Special Assistant for Development, CDA  
Jill Claybour, Acting Executive Director, CDA



# CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**CARR SQUARE TENANT MANAGEMENT/MCELROY DAY CARE  
CONTRACT #09-11-37  
CFDA #14.218**

**FISCAL MONITORING REVIEW**

**JANUARY 1, 2009 THROUGH NOVEMBER 30, 2009**

**PROJECT #2010-CDA27**

**DATE ISSUED: NOVEMBER 9, 2010**

**Prepared by:  
The Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
CARR SQUARE TENANT MANAGEMENT CORPORATION  
FISCAL MONITORING REVIEW  
JANUARY 1, 2009 THROUGH NOVEMBER 30, 2009**

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## **INTRODUCTION**

### **Background**

**Contract Name:** McElroy Day Care and Carr Square Infant/Toddler Program

**Contract Number:** 09-11-37

**CFDA Number:** 14.218

**Contract Period:** January 1, 2009 through December 31, 2009

**Contract Amount:** \$29,000

This contract provided Community Development Block Grant (CDBG) funds to Carr Square Tenant Management Corporation (Agency) to provide quality childcare services and experiences for low-to-moderate income families.

### **Purpose**

The purpose of the review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) requirements for the period January 1, 2009, through November 30, 2009, and make recommendations for improvements as considered necessary.

### **Scope and Methodology**

Inquiries were made regarding the Agency's internal controls relating to the grant administered by CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on January 20, 2010.

### **Exit Conference**

The Agency was offered and exit conference on October 19, 2010, but the Agency declined.

### **Management's Responses**

On October 19, 2010, the Agency was provided with our observations and recommendations and a response was requested by October 27, 2010; however, as of the date of the report, the Agency has not responded.

## SUMMARY OF OBSERVATIONS

### Conclusion

The Agency did not fully comply with federal, state and local CDA requirements.

### Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2009-CDA22, issued May 7, 2009, contained one observation:

- Opportunity to Account for day care service units served correctly (**Repeated - see current observation**)

### A-133 Status

According to a letter received from the Agency, it did not expend \$500,000 or more in federal funds in its fiscal year ended June 30, 2009, and was not required to have an A-133 audit.

### Summary of Current Observations

A recommendation was made for the following observation, which if implemented could assist the Agency in fully complying with federal, state, and local CDA requirements.

- Opportunity to Account for day care service units served correctly (**Repeated**)

## **DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES**

### **Opportunity To Account For Day Care Service Units Served Correctly (Repeated)**

The prior fiscal monitoring report dated May 7, 2009, noted that the Agency claimed and received reimbursement for undocumented day care service units totaling \$334. As of the field visit on January 14, 2010, the Agency had not remitted payment to CDA.

### **Recommendation**

It is recommended that the Agency repay CDA \$334 for the unsupported day care service units reimbursed.

### ***Management's Response***

*On October 19, 2010, the Agency was provided with our observations and recommendations and a response was requested by October 27, 2010; however, as of the date of the report, the Agency has not responded.*